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TAGS: [PGOV](#) [PREL](#) [PINR](#) [KDEM](#) [NU](#) [IR](#) [TW](#) [VE](#)  
SUBJECT: (C) EMBASSY JUMP STARTS LIBERAL UNITY DISCUSSIONS

REF: A. MANAGUA 0577

[1](#)B. MANAGUA 0543  
[1](#)C. MANAGUA 0404

Classified By: Ambassador Paul Trivelli for reasons 1.4 (b and d)

[1](#)1. (C) Summary: After splintering under the weight of mutual suspicion and recriminations, DCM hosted a cocktail to bring together members of the Nicaraguan Liberal Alliance (ALN) and Liberal Constitutional Party (PLC) to reactivate discussions on the need to forge a unified opposition to confront President Ortega's totalitarian ambitions. ALN leaders insisted on achieving a unified agenda in the National Assembly (where Liberals hold the majority), while PLC representatives equivocated, visibly annoyed by the ALN's aggressive posture. Ultimately, both sides concurred on the overarching need to defend the country against a renascent Sandinista dictatorship and agreed to meet again under the auspices of a neutral facilitator. End Summary.

[1](#)2. (C) At the request of ALN deputy and chief unity negotiator Jamileth Bonilla, DCM agreed to host a cocktail on March 5 to jump start faltering unity discussions between the ALN and PLC (ref C). In addition to Bonilla, ALN president Eduardo Montealegre and deputies Maria Eugenia Sequeira and Luis Callejas represented that party. Francisco Aguirre Sacasa, Carlos Noguera, and Freddy Torres were invited on behalf of the PLC.

[1](#)3. (C) The encounter was significantly more contentious than previous meetings, with both sides launching accusations of unjustified public attacks and press manipulation. Torres specifically criticized the reunification lunches organized by Bonilla as a "media circus" and complained that the ALN's efforts to recruit PLC deputies and mayors (refs A and B) had undermined confidence in the process. Bonilla and Sequeira shot back that the PLC caucus in the National Assembly is still responding to FSLN interests through orders from convicted PLC leader Arnoldo Aleman, which is why the caucus has not agreed on a unified legislative agenda.

Liberals Agree to Reject Questionable Agreements...

[1](#)4. (C) Despite their differences, the Liberals concurred that the Assembly should not ratify or approve various treaties and "friendship agreements" with Iran, Venezuela, and Taiwan. Aguirre Sacasa explained that while agreements or memoranda of understanding do not normally require Assembly

ratification, any document involving the national budget must pass the legislature's muster. Thus, some of the Venezuelan agreements will require Assembly approval. Both sides rejected the proposed agreement with Iran, which states that Nicaragua would support Iran in international fora. They were unsure, however, about what kind of official action to take (if any) regarding the Iran document or other questionable agreements with Venezuela and Taiwan, which may not technically require approval from the Assembly. We asked if they could pass a non-binding resolution rejecting the documents, but the deputies did not answer.

... But Vacillate Over Budgetary Controls

15. (C) ALN president Eduardo Montealegre strongly urged the PLC team to agree to modify the 2007 budget proposal to disallow extra-budgetary income generated by autonomous institutions to be spent on other official entities (such as the FSLN-controlled citizen councils). Such a restriction would block the FSLN from "laundering" Venezuelan oil money through the state-controlled distributor to finance Sandinista projects without legislative oversight. The deputies could not agree, however, on how to enact the modifications or if the Assembly has the authority to change the budget proposal at this stage. (Note: According to Sequeira, the ALN, PLC, and MRS successfully proposed a motion the following day to add a clause to the budget that stipulates that revenues from autonomous government entities (like PetroNic) must be channeled through the national budget. The ALN failed, however, to pass a motion that would have placed similar restrictions on donations. End Note.)

16. (C) Towards the end of the meeting, Ambassador and emboffs set the deputies back on course by giving examples of how Chavez manipulated divisions in the Venezuelan opposition to gain absolute control. The anecdotes sobered the Liberals considerably. They then agreed to continue negotiations in a private setting and with the assistance of a neutral facilitator and requested USG assistance in this regard. USAID Democracy and Governance Officer, present for the meeting, agreed to assist if/as needed.

17. (C) Comment: The Liberals' confusion over parliamentary procedures and legislative oversight demonstrates the lack of capacity for even experienced deputies such as Bonilla, Sequeira, and Noguera (a former Assembly president) to respond to the Sandinistas' domination of all other branches of government. In addition, overblown egos, internal divisions, and the Aleman Question (septel) persist in hampering unification attempts. We will continue to nudge the Liberals in the right direction by, if necessary, providing a facilitator to assist negotiations and seeking additional technical support for legislative issues.

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